

Minutes from the October 19, 2006 Meeting of the San Mateo County Utilities & Sustainability Task Force

Next meeting: Thursday, Nov. 16, 2006, 3-5 pm (revert to original time)

December meeting: **Thursday, Dec. 14, 3-5 pm (one week earlier than usual)**

In attendance

Jill Boone, San Mateo County
Bob Cormia, Sustainable Silicon Valley
Bruce Chamberlain, ABAG Energy Watch
Bill Dickenson, Belmont City Council
Deborah Gordon, Mayor of Woodside
Barbara Pierce, Mayor of Redwood City
Nicole Sandkulla, BAWSCA
Kathy Lavezzi, PG&E
Jerry Hill, San Mateo County Board of Supervisors
Terry Nagel, Vice-Mayor of Burlingame
Gina Blus, Facilitator

Guest

Alan Fisher, PG&E Rule 20 Project Manager

Not present

Mukesh Khattar, Oracle
Sepi Richardson, Brisbane City Council
Mario Panoringan, Colma-Daly City Chamber of Commerce

Action Items

Jill: Investigate how the five energy agencies shown on the Agency Memo provided by Jill (available on the website in the Task Force Reports folder, <http://www.ccag.ca.gov/USTF.html>) interact, and how frequently. They are: California Independent System Operator, the California Energy Commission, the California Public Utilities Commission, the Bay Area Air Quality Management District and the Federal Regulatory Energy Commission.

Kathy/Alan: find out the average lifespan of aboveground wires vs. those underground

Jill: create a chart to compare various greenhouse gas emission reduction programs (SSV, Cool Cities, ICLEI)

Barbara: provide more details about the super-tall towers you saw in Los Altos near Magdalena

Staff: prepare more detailed goals and supporting materials.

Gina: Invite Sam Pierce to the November meeting

Notes

The minutes from the Sept. 21 meeting were approved.

A member of the public attended. There was no public comment.

Energy 101

Jill reviewed the one-page diagram of the Bay Area energy transport system (http://www.pge.com/docs/pdfs/education_training/about_energy/how_electric_system_works/pge_system/electric_system.pdf) and the multiple energies overseeing the energy system in our area (Agency Memo, mentioned above).

Rule 20

Alan Fisher explained the Rule 20 electric undergrounding program. (His handout can be found at http://www.pge.com/field_work_projects/street_construction/rule20/.) The undergrounding of

electric lines is managed under Rule 20, the PG&E tariff with the CPUC, if PG&E is involved. Rule 20 is intended to advance beautification, not safety or reliability of service. It is intended to benefit the general public and is funded by the ratepayers.

The designations A, B and C refer to levels of financial responsibility: under 20A, PG&E pays all or most of the cost; under B, the applicant pays for the project, but receives some reimbursement from PG&E, and under C, the applicant pays the entire cost.

Project selection

The Rule 20A tariff requires that the area to be undergrounded must be at least 600 feet long, or a full city block. PG&E ratepayer funds can be used to pay for projects that meet one or more of the following flexible criteria:

- unusually heavy concentration of lines
- heavy traffic
- scenic beauty
- street is considered an arterial street

Each city accrues a certain amount of “work credit” funds every year which can be allocated toward projects in its jurisdiction. The amount is based on the percentage of overhead vs. underground wires. A city may borrow against its account for up to five years in the future to accumulate enough credits to cover large projects. Alan sends a letter every summer to each city to report on the amount of credits currently available.

A yearly budget for 20A funds is shared across PG&E territory, and Alan competes with project managers in other areas for finite funds. Priority is given to projects that coincide with road widening or repaving work, since PG&E already needs to move the lines for such projects. Alan has only been able to secure funding to get San Mateo project costs estimated lately, with funds being scarce. He hopes to get money for 6-8 construction projects on the peninsula next year.

Process

When a city has an undergrounding project in mind, they should call Alan to discuss its eligibility. Once a suitable project is identified, the city must pass an enabling resolution that requires the utilities to put their lines (cable and telephone as well as electricity) underground and property owners to acquiesce to the project. Once that legislation is passed, Alan contacts the cable and phone companies that share the utility pole to discuss schedule, estimates and which organization will lead the project.

Project lead

By default, PG&E is the lead on such projects, but the other utilities or the city can volunteer to do so. A city might want to take the lead and hire a contractor so the project can go faster. (PG&E's trenching and estimating resources are much in demand, and undergrounding is a lower priority than safety or reliability work.) The downside is that a city must pay the contractor upfront and be reimbursed by PG&E.

The lead also either hires (or deploys its own) engineers to create a composite, which shows exactly which utilities are in each segment of the trench. Form B is the spreadsheet that documents these shares so costs can be split between the utilities.

Money

Projects that meet Rule 20A criteria are eligible to be fully paid for by PG&E. Those that fail to meet the criteria can still proceed, but the city must pay for the full project and under 20B will be reimbursed by PG&E only for the amount it would cost to tear down the existing poles and the value of above-ground replacement.

The average cost to underground wires is \$250-\$400 per foot. More than 50% of that sum is incurred for trenching (which includes permits, engineering, land issues and paving as well as digging the trench).

The 100' rule

If a street has property owners on both sides, all utilities will be undergrounded and they will share a trench to each building. The first 100' to the "drop" (the place where lines enter a building) is usually fully covered by Rule 20A funds, and the property owner is responsible for the costs beyond that distance. A city may choose to require building owners to pay the entire cost for the "drop" if it wants to make its Rule 20A funds go further.

Timing

A project can take between 1 and 4 years to complete, depending on its complexity. Some projects are done in phases. The average time is (or used to be) 18 months.

Build for growth?

Because most of the expense is in opening the trench, PG&E (and the other utilities as well?) looks at anticipated load growth and may include a spare duct that could be used at a later time if needed.

Repairs

When things go wrong in the trench, it is (a) harder to spot the problem (compared to seeing problems on a pole) and (b) potentially more expensive (if trenching is involved) than if it was on a pole. Kathy mentioned that Foster City (which has all underground lines) often suffers no outages during heavy storms, but reports difficulties up to 4 weeks later.

What goes where?

The lines go underground but transformers need to be aboveground. The newer ones now being installed have a higher capacity and lower profile than earlier models, meaning there are fewer of them and they are more discreet.

Cities that want to discuss undergrounding projects should contact Alan Fisher at PG&E.

Process for notification of utility work

Jill, Kathy and Rich Napier of C/CAG met and are working on a proposal to address four issues raised at the September meeting. The cities and the county would like:

1. to receive advance notice about upcoming PG&E work in their area
2. to work with PG&E to communicate with the public about the work
3. to work collaboratively with PG&E on city projects, especially where trenching will occur
4. to learn how to get a project on PG&E's list

The group will develop a proposal and bring it back to USTF for discussion.

Hetch Hetchy rebuilding project

Jerry Hill reported that the planned replacement and increased capacity for the Hetch Hetchy water supply is expected to affect El Camino Real in Burlingame and other neighboring cities. Nicole reported that Hetchy Hetchy Power has started to schedule meetings with different constituencies in the affected cities (elected officials, public works directors, other stakeholders) to provide as much notice as possible, so planning for the disruption can begin. Extensive construction is expected to begin after the Environmental Impact Assessment is prepared, which is estimated to take 2-3 years.

Jill will recommend that the issue be addressed by CMEQ, which is handling the El Camino corridor and is responsible for transportation issues. USTF members will be able to attend the CMEQ meeting(s) when the topic is scheduled.

Goals

Two criteria for goals are that they should be important (so it's worth the effort) and achievable (so we have a chance to succeed). The task force agreed on two high-level goals:

- reduce carbon dioxide emissions
- establish a working relationship between local governments and the utilities

To support the first goal, the committee agreed that reducing energy use and water use are also important and appropriate goals. An absolute cap on use was seen as preferable to a per-capita cap.

Given that the state has already adopted greenhouse gas emission reduction goals¹, some members suggested our county might want to set a goal of exceeding the statewide targets. By framing the issue in a positive way, emphasizing the well-being of residents and the financial attractiveness of energy-saving measures, we may be able to tap into the competitive spirit of our communities and ask: "why wouldn't we want to do this?"

Sonoma county and each of its jurisdictions have adopted aggressive, absolute caps on emissions. According to Sam Pierce, the vice mayor of Sebastopol and now a member of the Climate Protection Campaign (a non-profit organization that provides consulting services to local governments and business), he won the support of the city manager and the council by combining several emissions-reducing measures into five different plans and showing the long term financial impact of each plan. The city voted to adopt the most aggressive plan offered, beating its existing 35% reduction target by an additional 7.7%.

To attain our goals, we will need to use several complementary techniques, including:

- setting a good example with city facilities
- education
- incentives
- policies for new construction
- success stories
- penalties (if/as needed)

Staff will prepare a proposed set of goals and related materials for discussion at the November meeting.

¹ The Global Warming Solutions Act of 2006, AB32, was signed into law in September. See prior staff report on this topic, <http://www.ccag.ca.gov/pdf/documents/recent%20legislation.pdf>